GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3979
ANSWERED ON:22.08.2003
EQUITY OF LIC AND GIC
BASUDEB ACHARIA

Will the Minister of FINANCE be pleased to state:

(a) the equity of the Government in LIC and GIC and the dividend received by the Government during the last three years alongwith the amount of income tax paid by them; and

(b) the steps being taken by the Government to further strengthen these public sector units in the presence of private players in the insurance fields?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a): The Government`s equity in LIC is Rs.5 crore and in GIC is Rs.215 crore as on 31.3.2003Year-wise break-up of dividend and income tax paid by both LIC and GIC during last 3 years is given below:

LIC

Year	Dividend paid(Rs.in crore)	Income Tax paid (Rs. in crore)
1999-2000	316.65	758.62
2000-2001	380.66	709.65
2001-2002	433.25	868.17

GIC

Year	Dividend paid(Rs. in crore)	Income Tax paid (Rs. in crore)
1999-2000	64.50	142.76
2000-2001	43.00	110.31
2001-2002	43.00	85.79

(b): The steps taken by the public sector insurance companies/corporations to meet the competition from private players, interalia, include improvement in customers` satisfaction, new product development, developing alternative marketing channels, moderanisation and increasing use of IT.